2/24/86 C8910-1

# Military Market

MAGAZINE FOR THE MILITARY RETAIL SYSTEM ARMY TIMES PUBLISHING COMPANY FEBRUARY 1986 $4.00

## 'I'M JUST LIKE ANY OTHER SHOPPER'

**Talking with Ellen Alkire, Who Just Happens to Be the Wife of AFCOMS' Commander**

*Seen Here In Her Regular Store, the Kelly AFB Commissary*

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**ALSO: Live from Las Vegas, the Latest in Consumer Electronics**

**Dynamic Duo: Frozen Foods and Microwaves**

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COVER DESIGN BY MIRIAM MacPHERSON

COVER PHOTO BY TRACY WOODWARD

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**serving the military resale system**

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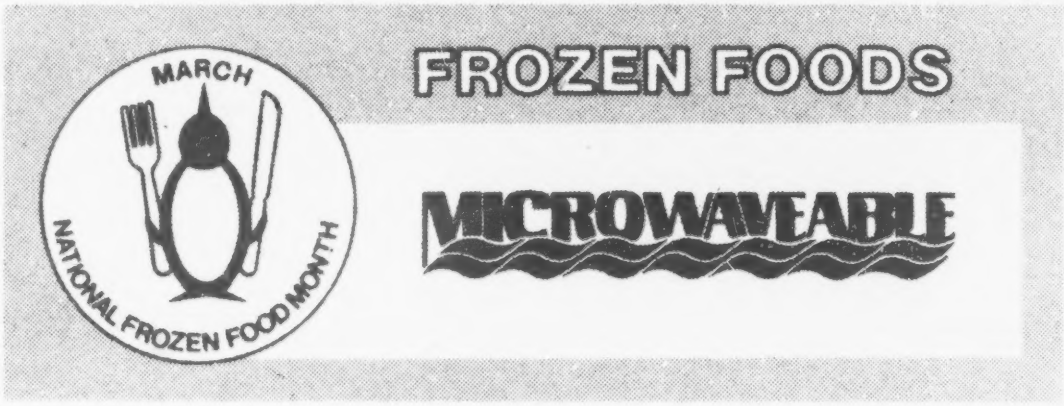
**MILITARY MARKET, (USPS 911-580):** Published 12 times a year by the Army Times Publishing Co., a division of The Times Journal Co., Springfield, Va. 22159-0210. Single copies: $4; except January Buyers Guide, July Almanac & Directory: $10 each. Subscriptions: 1 year, $35 (outside U.S., $45.); 2 years, $60 (outside U.S., $75); 1 year, outside U.S. via airmail, $180. Second class postage paid at Springfield, Va. and additional mailing offices. **POSTMASTER:** Send address changes to Military Market Magazine, Springfield, Va. 22159-0210.

# A Dynamic Duo That Will Keep Sales Hot




## Frozen foods and microwaves have combined for strong continuing sales, while food makers offer new ways to zap the latest gourmet foods and cuisines.

By ANNE ROKETENETZ
Associate Editor

THE DAY YOU READ THIS sentence, Americans will eat an estimated 45 million servings of microwaved food.

Frozen food manufacturers are looking forward to another year of hot sales as more American households turn to the microwave oven for quick, convenient and nutritious meals and snacks.

A recent survey by MRCA Information Services, a research firm, showed that 44 percent of American households now own microwave ovens. *Fortune Magazine* recently estimated that the number of households owning microwaves could jump to as high as 70 percent by 1990.

The MRCA survey found that since 1982, when a similar study was done, the number of retiree households owning microwaves has risen to 29 percent — up 81 percent. The 1985 study also found that the number of young singles owning microwaves almost doubled, from 20 percent to 39 percent.

Richard Fralick, communications director for the National Frozen Food Association, says that about 9.1 million microwave ovens were purchased in 1984. And although figures for total sales in 1985 are not yet available, Fralick says he guesses the numbers will remain the same.

Another significant increase found by the survey was that the number of meals and beverages now cooked daily in microwaves went up 56 percent since 1982.

### A Growing Market Today

In 1984, total dollar sales of frozen foods climbed 10.2 percent over the previous year. Fralick and others in the frozen food industry anticipate similar growth for 1985 and 1986 because people are buying higher priced items.

"Though people are still eating the same amount by weight," Fralick says, "they are buying better quality items."

To boost the popularity of the freezer case, frozen food manufacturers are gearing up for the third annual Frozen Food Month, scheduled for March 1986.

The event, sponsored by the NFFA, was begun in 1984 as an ef-

fort to increase sales and promote frozen foods for everyday use. Manufacturers expect this year's promotion to be the largest sales period in the industry's history.

Last year, the promotion pushed frozen sales for the month up 5.5 percent beyond the previous year's promotion.

Because the growth of microwave ovens has led to more consumer demand for variety, manufacturers have kept busy developing new labels and adding to existing lines.

### No More Soggy Pizzas

But the No. 1 frozen food, says Fralick, is still pizza.

There are problems with microwaved pizza, however. Because microwaves heat foods from the inside out, using the food's water content as a source of steam heat, microwaved pizza often ends up with soggy crust. Unlike a conventional oven, which drys out moisture, the microwave method retains water.

To adapt this staple to microwave cooking, Pillsbury has developed a "microcrisping" technique designed to leave microwaved frozen pizza with a crisp crust.

Pillsbury's microcrisping method brings more surface heat to the crust by using a susceptor — a large square layer of powdered aluminum laminated under plastic. The susceptor is then glued to the bottom of a disposable paper container.

The pizza is wrapped in cellophane and packed inside the paper container with the susceptor attached to it. To microwave it, the consumer must remove the cellophane, turn over the paper container so the aluminum coating is facing up and place the pizza on top of the aluminum-coated side. Because heat is drawn to the susceptor, the crust crisps while the rest of the pizza heats.

The company has high hopes for this technique, introduced about 18 months ago. Reports in the trade press have said Pillsbury estimates the new technology will help sell between 35 and 40 million pizzas during the first year on the market.

Other companies, which have borrowed this technique, are hopeful the microcrisping technique will be useful in keeping microwave products like pancakes and breaded items from becoming soggy when zapped.

### Ever Popular Premiums

Holding their own in the freezer case are higher priced premium gourmet dinners, entrees and specialty foods like ethnic dishes.

New in the gourmet case this year are four specialty side dishes from Stouffers. A company spokeswoman says the introduction of Rice Medley, Linguini with Pesto Sauce, Fettucini Primavera and Apple Pecan Rice, is in response to consumer research that shows consumers are looking for more specialty rice and

## Prepared Frozen Food Market Forecast — 1984–90

*(in millions of 1984 dollars)*

| Year | Old/Traditional Segment Retail Sales | Old/Traditional Segment Percent Of Market | New/Premium Segment Retail Sales | New/Premium Segment Percent Of Market | Total Sales |
|---|---|---|---|---|---|
| 1984 | $3,932 | 68 | $1,881 | 32 | $ 5,813 |
| 1985 | $3,852 | 57 | $2,907 | 43 | $ 6,759 |
| 1986 | $3,775 | 48 | $4,097 | 52 | $ 7,872 |
| 1987 | $3,700 | 41 | $5,350 | 59 | $ 9,050 |
| 1988 | $3,626 | 36 | $6,466 | 64 | $10,092 |
| 1989 | $3,553 | 32 | $7,407 | 68 | $10,960 |
| 1990 | $3,482 | 30 | $8,148 | 70 | $11,630 |
| Compound Annual Growth | –2% | | +28% | | +12% |

*Courtesy of Frozen Food Age*

pasta dishes.

"A number of people are getting into making their own pastas," she explains. "Stouffers just makes these dishes more convenient by offering them already prepared."

To meet increasing demand for light, low calorie dishes, says the spokeswoman, Stouffers has also introduced three new dishes to its Lean Cuisine line. Tuna Lasagna with Spinach Noodles and Vegetables, Veal Primavera and Turkey Dijon, bring the total number of dishes in the line to 21, she says.

Despite the growing popularity of premium priced dinners and entrees, TV dinners remain a strong category. NFFA's Fralick says he doesn't see the TV dinner getting defrosted by the gourmet dinner or entree at all.

"There will always be a need for these," as it is sometimes difficult to get children to eat what's right for them, he explains.

Fish and other seafoods are also a growing segment of the frozen food market, although frozen meats have seen a slight decline recently. Seafood increased in dollar sales by 9 percent between 1983 and 1984, says Fralick, while frozen meats only saw a 1 percent gain, a significantly smaller gain than in previous years.

The hors d'oeuvres category is also enjoying growth in popularity. Recently, the potato people at Ore-Ida Foods introduced Vegetable Crisps to a Midwest test market. While this product is recommended for use in a conventional oven because of its breaded coating, all reports indicate that the company expects the new line to do well.

Ore-Ida is making Vegetable Crisps available in five types: broccoli, cauliflower, zucchini, mushrooms, and a combination of the four. Suggested retail for the 12-oz. packages is $1.59.

As tastes continue to change, makers of ethnic frozen foods are also increasing in variety. The Benihana National Corp., for example, last fall introduced a version of lite frozen oriental dinners in addition to its original dinner line.

Industry insiders say such ethnic foods as Mexican, Chinese and Spanish are also enjoying a continued growth in the freezer case. MM

# A Frozen Food Example: There Will Be Always Something New to Sell

HERE'S THE LATEST TWIST on French fried potatoes — Curley Q Fries.

The manufacturer cites the twisty taters as "the longest french fries being commercially produced anywhere in the world." Lengths of eight to 12 inches are average, the manufacturer claims.

The company, insiders say, is supposed to be bought out this spring by Quaker Oats, Vince Johnson, director of marketing communications for TaterBoy Co., says. After the buy-out, Curley Q's should be available in commissaries.

These newfangled fries are cut into curls, coils, springs and rings. The Walla Walla, Wash., company developed and patented the latest in cutting technology, according to a press release, making it possible to have the shapely finger food.

"No one else can commercially produce [the fries]," Johnson asserts. He adds that the company should be producing the fries on an exclusive basis for the next five or six years.

TaterBoy has designed a "rule of thumb" for calculating the length of a Curley Q: Multiply the diameter of the coil by three to get the circumference, then multiply the circumference by the number of coils to obtain the total length of the tater.

If this multi-step procedure is too difficult (or unbelievable), wrap a piece of string around the Curley Q in question and then measure the length of the string. The answer should be the same.

In addition to their unique shape and length, these fries are only cut from Northwest grown Russets, then "self-seasoned" in their own skins before being blanched. **— Patty Toben**

# Military Market index

## COMMISSARIES

| | | OCTOBER | | | YEAR TO DATE | | |
|---|---|---|---|---|---|---|---|
| | | CY'85 | CY'84 | % CHANGE | CY'85 | CY'84 | % CHANGE |
| | CONUS | $160,953 | $148,835 | 8.14 | $1,545,020 | $1,504,519 | 2.69 |
| | OVERSEAS | 29,459 | 29,824 | –1.22 | 263,155 | 297,973 | –11.68 |
| **AIR FORCE*** | TOTAL | **190,412** | **178,659** | **6.58** | **1,808,175** | **1,802,492** | **0.32** |
| | CONUS | 109,515 | 104,160 | 5.14 | 1,065,120 | 1,056,090 | 0.86 |
| | OVERSEAS | 33,180 | 31,395 | 5.69 | 309,645 | 326,235 | –5.09 |
| **ARMY** | TOTAL | **142,695** | **135,555** | **5.27** | **1,374,765** | **1,382,325** | **–0.55** |
| | CONUS | 55,798 | 54,814 | 1.80 | 622,559 | 603,315 | 3.19 |
| | OVERSEAS | 6,303 | 6,622 | –4.82 | 69,252 | 71,774 | –3.51 |
| **NAVY** | TOTAL | **62,101** | **61,436** | **1.08** | **691,811** | **675,089** | **2.48** |
| | CONUS | 14,630 | 13,625 | 7.38 | 140,540 | 131,839 | 6.60 |
| | OVERSEAS | 284 | 230 | 23.48 | 2,531 | 2,133 | 18.66 |
| **MARINE CORPS** | TOTAL | **14,914** | **13,855** | **7.64** | **143,071** | **133,972** | **6.79** |
| | CONUS | 302 | 311 | –2.89 | 2,654 | 2,542 | 4.41 |
| | OVERSEAS | 276 | 235 | 17.45 | 2,927 | 2,761 | 6.01 |
| **COAST GUARD** | TOTAL | **578** | **546** | **5.86** | **5,581** | **5,303** | **5.24** |
| | CONUS | $341,198 | $321,745 | 6.05 | $3,375,893 | $3,298,305 | 2.35 |
| **ALL** | OVERSEAS | $69,502 | $68,306 | 1.75 | $647,510 | $700,876 | –7.61 |
| **COMMISSARIES** | TOTAL | **$410,700** | **$390,051** | **5.29** | **$4,023,403** | **$3,999,181** | **0.61** |
| **GROCERY STORES** | U.S.[1] | $22.126 | $22.067 | 0.27 | $217.810 | $208.860 | 4.29 |

* The Air Force data has been adjusted to reflect the transfer of Alaskan commissaries from the Pacific Region to the California Region because of AFCOMS reorganization, thus accounting for the large percentage change.

## EXCHANGES

| | | OCTOBER | | | YEAR TO DATE | | |
|---|---|---|---|---|---|---|---|
| | | CY'85 | CY'84 | % CHANGE | CY'85 | CY'84 | % CHANGE |
| | CONUS | $233,339 | $214,016 | 9.03 | $2,346,495 | $2,289,727 | 2.48 |
| | OVERSEAS | 157,904 | 146,204 | 8.00 | 1,531,467 | 1,534,570 | –0.20 |
| **AAFES** | TOTAL | **391,243** | **360,220** | **8.61** | **3,877,962** | **3,824,297** | **1.40** |
| | CONUS[2] | 91,111 | 94,380 | –3.46 | 868,054 | 872,256 | –0.48 |
| | OVERSEAS[2] | 37,676 | 38,127 | –1.18 | 362,624 | 364,621 | –0.55 |
| **NAVY** | TOTAL[2] | **128,787** | **132,507** | **–2.81** | **1,230,678** | **1,236,877** | **–0.50** |
| | CONUS | 29,434 | 28,968 | 1.61 | 285,244 | 277,581 | 2.76 |
| | OVERSEAS | 4,669 | 4,826 | –3.25 | 48,469 | 47,842 | 1.31 |
| **MARINES** | TOTAL | **34,103** | **33,794** | **0.91** | **333,713** | **325,423** | **2.55** |
| | CONUS[3] | 6,482 | 6,250 | 3.71 | 66,036 | 61,347 | 7.64 |
| | OVERSEAS[3] | 492 | 852 | –42.25 | 5,044 | 7,945 | –36.51 |
| **COAST GUARD** | TOTAL[3] | **6,974** | **7,102** | **–1.80** | **71,080** | **69,292** | **2.58** |
| | CONUS[4] | 1,213 | 1,174 | 3.32 | 10,931 | 11,678 | –6.40 |
| | OVERSEAS[4] | 3,620 | 4,375 | –17.26 | 31,331 | 37,681 | –16.85 |
| **MAIL ORDER** | TOTAL[4] | **4,833** | **5,549** | **–12.90** | **42,262** | **49,359** | **–14.38** |
| | CONUS | $361,579 | $344,788 | 4.87 | $3,576,760 | $3,512,589 | 1.83 |
| | OVERSEAS | $204,361 | $194,384 | 5.13 | $1,978,935 | $1,992,659 | –0.69 |
| **ALL EXCHANGES** | TOTAL | **$565,940** | **$539,172** | **4.96** | **$5,555,695** | **$5,505,248** | **0.92** |
| **DEPARTMENT STORES** | U.S.[1] | $11.232 | $10.668 | 5.29 | $100.131 | $95.403 | 4.96 |

1) SOURCE: U.S. Department of Commerce. 2) Does not include sales of ship stores. 3) MM estimate, based on official data. 4) Includes consolidated sales for all services, including Coast Guard. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in millions (add 000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume.